

Meeting of 2002-11-26 Regular Meeting

MINUTES

LAWTON CITY COUNCIL REGULAR MEETING  
NOVEMBER 26, 2002 - 6:00 P.M.  
WAYNE GILLEY CITY HALL COUNCIL CHAMBER

Mayor Cecil E. Powell,                      Also Present:  
Presiding                      Bill Baker, City Manager  
   John Vincent, City Attorney  
   Kathy Fanning, Deputy City Clerk  
   Col. Puckett, Fort Sill Liaison

The meeting was called to order at 6:25 p.m. by Mayor Powell. Notice of meeting and agenda were posted on the City Hall notice board as required by law.

ROLL CALL

PRESENT:                      James Hanna, Ward Two  
   Glenn Devine, Ward Three  
   Robert Shanklin, Ward Five  
   Barbara Moeller, Ward Six  
   Stanley Haywood, Ward Seven  
   Michael Baxter, Ward Eight

ABSENT:    Randy Bass, Ward One  
                 Amy Ewing-Holmstrom, Ward Four

AUDIENCE PARTICIPATION: None

CONSENT AGENDA : Separate consideration was requested for Items 3, 5 and 10.

MOVED by Shanklin, SECOND by Baxter, to approve the Consent Agenda items as recommended with the exception of Items 3, 5, and 10. AYE: Hanna, Devine, Shanklin, Moeller, Haywood, Baxter. NAY: None. MOTION CARRIED.

1. Consider the following damage claim recommended for denial: Richard Menden; Dewey L. and Marlyce Scoggins; Michele and Warren Wilson. Exhibits: Opinions/Recommendations. Action: Denial of claims.
2. Consider the following damage claims recommended for approval: approval and consider passage of any resolution authorizing the City Attorney to file a friendly suit for the claim which is over \$400.00: Mark J. Kassanavoid; Davis Air Conditioning, Inc.; Billy R. and Cheri Chandler; Zane and Brenda Mohler; Southwestern Bell Telephone; Tammy and Wayne Hardage; and Jeffrey and Tamela Nation. Exhibits: Legal Opinions/Recommendations. (Five resolutions on file) Action: Approval of claims. Kassanavoid - Res. 02- 209 for \$1,454.60; Davis Air Conditioning - Res. 02- 210 for \$5,057.41; Chandler - Res. 02- 211 for \$1,500.00; Mohler - \$60.00; SW Bell - Res. 02- 212 for \$1,073.98; Hardage - \$35.00; Nation - Res. 02- 213 for \$794.81.
3. Consider approving the First Amendment to the Agreement for the sale of treated water between the City of Lawton and CKT Rural Water Association, Inc. and authorize the Mayor and City Clerk to sign the same. Exhibits: None

Shanklin asked who makes up the CKT. Vincent said CKT was recognized as a Rural Water Association within the last several weeks; it is a combination of Cotton, Tilman and Kiowa counties. Vincent said the Council issued a 120 day cancellation letter but by agreement the contract was extended as CKT adjusted their boundaries as the City requested. Vincent said CKT offered \$600 a year until they can tap the City's line. Shanklin asked if CKT had been quoted a price for water and Vincent said it is the ordinance rate.

MOVED by Shanklin, SECOND by Baxter, to approve the First Amendment to the Agreement for the sale of treated water between the City of Lawton and CKT Rural Water Association, Inc. AYE: Devine, Shanklin, Moeller, Haywood, Baxter, Hanna. NAY: None MOTION CARRIED

4. Consider City Co-Sponsorship of Martin Luther King, Jr. Celebration. Exhibits: Letter. Action: Approval of item to charge no rent for use of McMahon Auditorium.

5. Consider commissioning a bronze bust of General Henry Ware Lawton from the remaining Centennial Celebration funds. Exhibits: None

Mayor Powell said it is fitting to do this since Lawton is named after General Lawton. He said the funds were donated, it is not coming out of the General Fund, and several Centennial Commission members had expressed their approval. Approximate cost is \$29,000.

Shanklin asked which artist/sculpturer would do the work. Mayor Powell said that has not been determined and he had asked for inquiries as to how much this would cost from interested persons; it is hoped that it can be done by Lawton's next birthday. Mayor Powell said he received a call from a local citizen who does casting and he offered to donate the waxing of the bust to get it ready for bronzing.

MOVED by Moeller, SECOND by Hanna, to approve commissioning a bronze bust of General Henry Ware Lawton from the remaining Centennial Celebration funds. AYE: Shanklin, Moeller, Haywood, Baxter, Hanna, Devine. NAY: None. MOTION CARRIED.

6. Consider adopting a resolution requested the Oklahoma Department of Transportation for partial funding for the roadway project in Elmer Thomas Park to provide access to Lake Helen. Exhibits: Resolution No. 02- 214; General location map of roadway. Action: Approval of resolution requesting Lake Access Funds from ODOT.

7. Consider ratifying the action of the Lawton Water Authority and extend the lease term between El Pache Energy, Inc. and the Lawton Water Authority for use of surface rights on a 3.0 acre tract of land in the SW/4 of Section 11, T4N, R11W, I.M. in the vicinity of Lake Ellsworth. Exhibits: None. Action: Ratify action of Water Authority to approve lease extension.

8. Consider ratifying the action of the City Manager and City Attorney to appeal the Workers' Compensation case of Walter Lopez in the Workers' Compensation Court, Case No. 1999-12737K. Exhibits: Letter. Action: Ratify action to appeal case.

9. Consider amending the Project Impact budget to adjust the funding limits for retrofitting of public buildings to reduce building damage and protect citizens against natural disasters. Exhibits: Amended budget spread sheet; Minutes of September 12, 2002, Steering Committee. Action: Approve adjustment budget; adjust the public schools projects to \$125,000 and other public buildings at 425,000. The total amount of \$150,000 will not be amended.

10. Consider a Revocable Communications Cable Permit to Indian Nations Fiber Optics corporation to install approximately one thousand and forty feet of fiber optic cable in the SW "A" Avenue and SW 17<sup>th</sup> Street right-of-way. Exhibits: Revocable Communications Cable Permit.

Bob Bigham, Planning, requested the minimum depth requirement be changed from 48" to 9' to avoid conflict with a water line on the north side of A Avenue. Indian Nations is agreeable to this change. Mayor Powell asked if it was just this one location. Bigham said yes.

MOVED by Shanklin, SECOND by Moeller, to approve the Revocable Communications Cable Permit to Indian Nations Fiber Optics Corporation. AYE: Shanklin, Moeller, Haywood, Baxter, Hanna, Devine. NAY: None. MOTION CARRIED.

11. Consider approving a revocable permit for Comanche County Memorial Hospital for placement of a bus shelter at 3401 W Gore Boulevard. Exhibits: Revocable Permit. Action: Approve the revocable permit for Comanche County Memorial Hospital to place a bus shelter at 3401 W Gore Boulevard.

12. Consider accepting the Lake Ellsworth Gate Operator Project #2001-7 as constructed by Bowen Construction, Inc. and placing the maintenance bond into effect. Exhibits: None. Action: Approval.

13. Consider authorizing a transfer of funds for the NW 23rd Street Reconstruction Project #2001-15. Exhibits: None. Action: Authorize transfer in the amount of \$8,337.63 for the project identified for testing and contingencies from CDBG FY 2001 Account #069702328460, NW Hoover Waterline Replacement Project.

14. Consider approving the following contract extensions: A) Pebble Quicklime with Global Stone St. Clair; B) SCBA 2.2 with Wayest Safety, Inc.; C) Ballistic Vests and Covers with Skaggs Public Safety. Exhibits: None. Action: Approval.

15. Consider awarding contract for Sludge Lagoon Cleaning. Exhibits: Recom; Abstract. Action: Award to CP3 Enterprises, Inc. for Item 1A.

16. Consider awarding contract for Cellular Telephone Service. Exhibits: Recom; Abstract. Action: Award to US Cellular.

17. Consider approving contract change order of Custodial Maintenance Service. Exhibits: Recommendation; Abstract. Action: Approve change order to delete WWC/WWM from City's Custodial Maintenance Service Contract and cancel the City's related service with Service One Janitorial.

18. Consider approval of appointments to boards and commissions. Exhibits: Memo.

Lawton Housing Authority - Eileen Mercadante - Term: 11/26/02 to 11/26/05

Library Board - Roma Lee Porter - Term: 11/26/02 to 5/31/04

McMahon Auditorium Authority - Dr. William Jolly - Term: 7/1/01 to 6/30/04

Parks & Recreation Commission - Raanon Adams, Ward 4 - Term: to 1/11/04

Pension Trust Commission - Ronnie Graves, Term: 9/28/02 to 9/28/07; Paul Ellwanger, Term: 11/26/02 to 11/26/07

19. Consider approval of payroll for the period of November 11 through 24, 2002.

20. Consider approval of Minutes of Lawton City Council Meeting of November 12, 2002.

BUSINESS ITEMS: Mayor Powell asked that Item 24 be considered at this time.

24. Receive a report on budget shortfall, consider recommendations from City Manager, provide direction to staff. Exhibits: None.

Baker said three reasons contributed to the current \$2.5 million shortfall: 1) Initial carryover was projected at \$1.5 million, it was increased during budget review to \$2 million; actual carryover was \$1.15 million, or a \$815,000 shortage; 2) Water sales were down 10 mgd due to the mild summer weather causing a projected \$1.2 million shortfall on water sales; 3) Decreased revenue from refuse collections, primarily at the landfill, because the largest customer now takes the refuse to Texas. Baker said actions must be taken to address this deficit and his goals were to minimize the adverse impact on citizens and on employees. He recommended deferring action on lay offs, furloughs, salaries, or fringe benefit issues until later in the year, and take action on them later if absolutely necessary.

Baker said there is a need to end this fiscal year with carryover to support next year's budget. Shanklin asked what the deficit would be starting next year's budget if there is zero carryover. Baker said the year would begin with a \$1.15 million shortage because we had that much to support this year. Baker said the carryover for the last ten years has been \$2.9 million per year, so the City is not in a good financial situation; there is a \$600,000 reserve in the budget which constitutes the carryover for next year and hopefully there will be more than that. Baker said it is not fiscally responsible to have that small of an amount in reserve and Council seriously needs to consider increasing it.

Baker said his most significant recommendation is to defer, and possibly eliminate, the purchase of capital outlay and use those funds for operating expenses. He said the decision can be made going into the fourth quarter. Baker said the Council passed a resolution in 1996 establishing the \$3 capital outlay charge on the utility bill and those funds are restricted specifically to capital outlay. Baker said there is a companion item on the agenda to adopt a resolution to free those funds up to the general fund; funds will not be spent without Council approval, which would be requested only when the funds are absolutely necessary. He said if funding comes in to allow purchase of capital outlay in the fourth quarter, then we can buy all or part of it, but if not, there would be the flexibility to use those funds on something else. Baker said updates will be given at the end of the second and third quarters, and some very difficult decisions may be needed at the end of the third quarter.

Hanna asked if it will be a one time only situation to free up that capital outlay up, and that next fiscal year, it would not be done. Baker said that is correct, the resolution is to remove the restriction for the duration of this fiscal year only and the restriction would go back in place after June 30, 2003. Mayor Powell said that would be part of the motion. Baker stated he is not saying make a decision not to buy capital outlay, he is saying free that fund up, remove that restriction, so if we have to, we can spend that money on other operating costs.

Baker said item #15 regarding senior services is not a big dollar item and many people are present for that item. He said the Parks & Recreation Director had a discussion with a local agency which will provide the senior services the City is now providing for much less than the City is now paying. The senior services budget is about a quarter of a million dollars, which includes \$54,000 for Mobile Meals and \$13,000 for the Center for Creative Living, but the remaining \$190,000 is for senior citizens programs at Pleasant Valley, Benjamin Davis High Rise and the basement of Town Hall. This item is listed for Council's consideration to request proposals to see if the service can be provided at a lesser cost.

Hanna asked if the senior citizens would receive the same benefits, treatment and everything they are getting right now with no cuts whatsoever. Baker said that is his recommendation, and the RFP would require that of the contractor.

Baker said several senior citizens had called in opposition and he had no problem deleting this but it could cause a savings of \$50,000 this year. Hanna asked if the employees would keep their jobs and be transferred to a different division within the City. Baker said the savings would primarily be from eliminating positions, and we would try to put those people in other positions, but because of the hire freeze, if we do that, then the true savings would not be realized. Moeller said the \$50,000 savings is by the loss of jobs. Baker said yes; two employees are full time and three are part time. Shanklin said he wanted to look at other ways to make up the difference.

Moeller asked if the City will actually receive \$20,000 additional in Library fines. Baker said the fines were recently increased and the Library staff projected an additional \$20,000 in revenue.

Mayor Powell spoke against furloughing employees and in favor of keeping senior services in house.

Moeller asked if \$50,000 could be taken from the overtime budget which is over \$1 million. Baker said staff are tracking overtime very carefully, and he was considering an executive order in that regard. He said during a hire freeze there is a tendency to make up the difference in overtime.

Mayor Powell said energy conservation policies could generate \$50,000 by turning off lights and wearing coats or sweaters instead of turning up the thermostat, and he encouraged staff to pursue it.

Shanklin said item #11 is increased lake fees, camping and concessions for \$30,000. He said he could not support charging the Boat Club \$30,000 if the charges are not applied equally to boathouses. He said it was not equitable to charge more for camp sites than for boathouse sites, and suggested boathouse spaces be put out for bid every five years.

Shanklin requested a legal opinion on how the Council could furlough employees or take back half of the \$1.2 million given in pay raises in the last six months. Vincent said staff is working on the furlough question and the issues are exempt employees, the two unions and the general employees. Vincent said he was not aware of the question about salaries.

Baxter agreed the boathouse occupants should pay more money, and part of the \$30,000 was likely from increased boathouse fees. He said he would not support taking half of the employees' raises back.

Haywood asked about the reduction in operating funds for Parks & Recreation. Baker distributed information from Shahan showing reductions in the 200 accounts; \$26,000 in Sports and Aquatics was to eliminate basketball practice and not pay the custodians but the games would still be held.

Shanklin asked how staff expected to get \$150,000 for water rate increases for Fort Sill, Goodyear and Republic when you cannot get an increase from Fort Sill for a year. He said we did not get an increase from Goodyear. Baker said the committee chairman advised they were getting much closer with Goodyear and Fort Sill and felt that much additional revenue would be generated this year.

Mayor Powell said the City could have his salary before he would consider furloughing employees. He said the City Manager, Assistant City Manager and all the directors should peel off some of their money to keep the lower end people in jobs. Mayor Powell said the person who needs it the most is usually the first one furloughed and he sympathized with those people. Shanklin said he received a note that the Council forego their pay. Mayor Powell said he did not ask for that but would ask for the City Manager and Assistant and directors to be looked at. Shanklin said Council should look at giving theirs up.

Shanklin asked what would be done if there was not a quorum to take away the capital outlay money because he did not think there was one. Mayor Powell said it is saying that the capital outlay will be frozen for right now and before any of the \$3 capital outlay is spent, the City Manager will come back to Council, and hopefully he would never have to do that. Shanklin said the funds would be used to support the general operating budget. Mayor Powell agreed but said it would not be dumped in there today, the City Manager would come back to Council before that ever happened.

Mayor Powell said the discussion has been to accept the City Manager's recommendations except contracting out the senior citizen programs, #15. Moeller said the capital outlay recommendation means the funds would stay where they are and Council permission would be required to make any expenditures from that account. Mayor Powell said Council would have the last blessing on that, and the motion should say that the capital outlay situation would be for this fiscal year only. Vincent said the next item contains a resolution to that affect to be acted on separately. Baker said he would not spend the capital outlay funds without Council approval and that discussion would occur at the end of the third quarter.

MOVED by Baxter. SECOND by Haywood, to accept Mr. Baker's recommendations with the exception of Item #15 which was contracting the senior services programs.

Devine said he would not support the capital outlay funds; if it is needed at a later time, it can be approached at that time. He said it would be too easy to not have to look at anything else because we know we have that \$1 million so do not cut any more because we will have that money anyway.

Baxter said everyone on the Council had something to do with this negative \$2.5 million, it will not go away and something had to be done about it. He said to keep putting everything off will not help and the City Manager needed some room to work.

VOTE ON MOTION: AYE: Moeller, Haywood, Baxter, Hanna. NAY: Devine, Shanklin. MOTION CARRIED.

25. Consider adopting a resolution removing restrictions from the Capital Outlay Fund for the remainder of the current fiscal year. Exhibits: Resolution No. 02-\_\_\_; Capital Outlay List.

MOVED by Moeller, SECOND by Baxter, to adopt the resolution removing restrictions from the capital outlay for the remainder of the current fiscal year only, that funds remain in that account and nothing will be spent without Council's permission and approval.

Mayor Powell said the City Attorney had reminded him that this will require five affirmative votes.

VOTE ON MOTION: AYE: Haywood, Baxter, Hanna, Moeller. NAY: Devine, Shanklin. Resolution did not pass due to lack of five affirmative votes.

Shanklin offered a substitute motion to adopt 2-20 with Item 15 removed. Mayor Powell said Council had already approved that by a four to two vote, and this item was only passing the resolution. Shanklin said the resolution had to be passed before the money can be used. Baker said since the resolution did not pass, the restriction remains on the funds; Council may like to reconsider it at the end of the third quarter. Vincent said money would remain in the capital outlay fund but not be spent due to Council action on Item 24. Shanklin asked why the resolution was needed. Vincent said the resolution did not allow the City Manager to do anything with those funds unless Council authorized it. Shanklin said it will be brought back up, the co-chairs of some of these unions will vote on it, and you will get it passed.

Baker said he cannot assume Council will approve this later in the year so he would have to identify another \$1 million to cut because it takes time to realize and accrue those savings. Shanklin said he would like to see those. Baxter said they will be employees, furloughs and layoffs. Shanklin said they are doing it all over the world and nation. Mayor Powell said the only place it can come from is laying people off; he asked what Shanklin meant saying the unions would get involved. Shanklin said they will pass it where it will pass five to two, Amy will vote for it, you have four votes and Amy will vote for it to pass it; it can be brought back up by either one of these people because they were not here and their vote will make a difference, it will be on the December 10th ballot. Mayor Powell said he was disappointed the Council would not approve something when they had the ability to say no, we will not spend it.

The Mayor and Council had a brief recess. Roll call upon reconvening showed all members present except Bass and Ewing-Holmstrom.

26. Consider transferring funds from the Wastewater Maintenance Division to the General Fund to help support the Wastewater Collection Division and the projected budget shortfall. Exhibits: Budget Summary Pages.

Baker said Council established a fund to provide for a sewer maintenance crew funded from revenue generated on the sale of water between 8,000 and 12,000 gallons. He said this is a segregated fund that cannot be used; the Public Works Director said in lieu of the \$212,000 debris loader, he would prefer to have one jet rodder in Wastewater Collection which costs \$75,400. Baker said he was asking that this restriction be removed; it was done by minute action and there was not a resolution. He said this will free up \$136,500 into the general fund.

MOVED by Shanklin, SECOND by Moeller, to approve the recommendation. AYE: Hanna, Devine, Shanklin, Moeller, Haywood, Baxter. NAY: None. MOTION CARRIED.

21. Consider receiving a status report presentation from CH2M Hill, Inc. for the Southeast Water Treatment Plant Project and providing design direction. Exhibits: None.

Jerry Ihler, Public Works Director, said CH2M Hill is preparing the Study and Report; project was funded from the 2000 CIP. CH2M Hill will make a presentation regarding the status of the Southeast Plant, an update on the Medicine Park Water Treatment Plant, and Councilman Shanklin had questions related to the Safe Drinking Water Act and the design of the Medicine Park Plant and the regulations followed at that time, as well as questions relating to ground water regulations.

Ihler distributed three DEQ documents: 1) The Proposed Groundwater Rule; 2) The Safe Drinking Water Act, and

3) Information on dates of the regulations with regard to design of the Medicine Park plant in relation to the Safe Drinking Water Act. Ihler said in 1998 we asked DEQ to provide a letter regarding the plant design and the existing and proposed regulations in the Safe Drinking Water Act because Shanklin had a question as to which were in effect at which point in time, and which were going to be in effect at a later date. He said the Southeast Plant is being designed based on the same standards that were used for the Medicine Park Plant.

Shanklin asked how much money was included in the 2000 CIP for the Southeast Water Treatment Plant. Ihler said \$3 million under the ad valorem section. Shanklin asked how much had been spent to date and response was about \$35,000.

Murray Fleming, CH2M Hill, gave a presentation regarding the Southeast Plant, to include plant sizing, processes, and costs, and an update on the Medicine Park plant.

Fleming said the estimated cost of the Southeast Plant was \$16 million for 10 a mgd plant and related project facilities. The overall design contract was about \$1.5 million, \$80,000 for the study and report, \$1 million for the final design including services and shop drawings during construction. Design of the 24" and 48" transmission lines will be done by City staff. CH2M Hill received authorization to begin on May 1, 2002, and the firm has spent about \$35,000 on the project to date.

Shanklin asked if the City had paid for design of the 24" and 48" transmission lines once. Ihler said the City paid for a design in the late 1980's. Shanklin said it was in 1990, it was \$2 million. Ihler said the transmission portion was not \$2 million. Shanklin said we spent \$2 million that we never did anything with. Ihler said it was about \$1.8 million. Ihler said the actual design was mid to late 1980's and the technology has changed significantly; we salvaged as much as we could from those plans to reduce the costs and that is the \$650,000 relating to the transmission system. Ihler said the recommendation would be to do the 24" transmission line only during the first phase of the project.

Fleming said water would be taken from Lake Ellsworth with a back up from Lake Waurika. The conveyance line has so far only flowed water from Waurika to Ellsworth but now we will flow from north to south to come to the Southeast Plant primarily with a backup from Waurika. Quality testing is being done, pilot work and water quality tests done previously are being used and a few more tests are being done to confirm that.

Fleming said operational concepts are important as this will be a second plant; it will be automated as much as possible to minimize the number of staff and it will not be manned at the same level of attention as the Medicine Park Plant. In the winter, maybe it would run only at four or five mgd and Medicine Park would make up the difference. A full time maintenance staff is not projected, but maybe have roving maintenance or using maintenance people from the Wastewater Plant two miles to the south. The facilities will not be as comprehensive as they would at a stand alone plant.

Fleming said the process treatment requirements appear to be very similar to those at Medicine Park. There was a question as to whether both the 24" and 48" lines will be needed immediately or just one and if one, which one is the best to most efficiently get 10 mgd injected into the distribution system. Modeling is being done to project the flows and see if another storage tank will be needed.

Fleming said direction is needed on a couple of options with regard to plant sizing. Rainfall information was shown and reviewed from 1980 to 2001, along with amounts of water treated. Projections from the 2020 Land Use Plan were considered and adjusted for live data. The Medicine Park plant is being constructed to 40 mgd, with the anticipation that the southeast plant would be able to provide 10 mgd. Baker said transmission capacity from Medicine Park was a factor.

Fleming said 40 mgd hits the demand projection at 2003, and it will vary based on weather conditions. The southeast plant can be on line by 2007 so there is a slight risk between 2005 and 2007 of having a water shortage if there is a drought. Building the southeast plant for 10 mgd should provide adequate service through 2025. CH2M Hill is involved in the vulnerability study mandated and funded by EPA as far as the security risk analysis. Redundancy capacity is a factor due to risks of tornados or terrorist damage at the Medicine Park plant. In such an event, a no outside watering policy could lower the demand to 15 mgd. No outside water use, taking industry off line and not serving Medicine Park or the two water districts, usage could go down to 13 mgd. Usage could get to 10 if everything was stripped. Fleming said the only realistic restriction was to prohibit outside water use and if you wanted to build a total redundant plant, the southeast plant would have to be able to treat 16 mgd.

Fleming said the Medicine Park plant is designed to produce .1 trihalomethane (THM) because the filter beds are ten inches deeper. This was an incidental benefit gained by other improvements; DEQ recognized the benefit of this action. Fleming explained THM in detail. The regulation when the project began was 80 milligram per liter of THM but it could be averaged between four collection points throughout the distribution system. EPA regulations now require that it not exceed 80 at any one location rather than using the average. This requirement leads to using ozone disinfection rather than chlorine which plays a part in forming THMs. The same treatment process is being

used for the southeast plant.

Fleming said the cost estimate for a 10 mgd Southeast plant is \$15 million; for a 16 mgd plant it is \$20 million. Modifications must be made at intake as there is no screen at Lake Ellsworth. There is a \$5.2 million cost for a one million gallon elevated tank, as well as the 24" line that connects it into the system. Design will include going around the relift pump station; right now there is a pump station that boosts it all the way to Ellsworth but that is not needed as Waurika water can come straight into the Southeast plant. Mayor Powell said the water was to gravity flow from Ellsworth to the Southeast Plant; if we have to pump water from Waurika to Ellsworth, why not intercept the Waurika water into the plant without taking it up there and flowing it back down. Fleming said that is what that is; we will have the connection to go either way and if we take Waurika water, we will not send it to Ellsworth first.

Fleming said part of the project is connected with the land acquisition; the school system owns the land and the old wastewater treatment plant site needs to be cleaned up, so the cost for doing that is included and that adds up to \$22 million. If capacity as designed to 16 mgd, we would have to have another pump station to supply Medicine Park to pump it back up the hill so that is why a pump station is included in one alternative and not the other. A 10 mgd plant with all the facilities is about \$22 million; a 16 mgd plant is about \$33 million.

Shanklin asked how much per gallon would it be for just the water treatment plant. Fleming said \$1.50. Shanklin said it was 75 or 80 cents per gallon in Lewisville, Texas, when CH2M Hill got the job to begin with. Fleming said he did not know what processes were used at that plant. Shanklin said he was sure Lawton got the state of the art.

Fleming reviewed the status of work at the Medicine Park Plant; scheduled completion date is June 2004. Contract amount is \$32.9 million with \$13 million worth having been built so far. He commended City staff, the contractor and employees in his firm for outstanding work on the project.

Fleming said he was not sure what the other question was. Shanklin said we are interested in the southeast water treatment plant in order to supply water to people outside the city limits and for us to do that, their water wells have to be declared null and void or they will not buy any water from us. He asked whether those outside of Lawton would likely have to look to Lawton for water due to strict water quality regulations.

Fleming said the projections in the demand curves shown earlier were based on historical growth; there was nothing saying we need to be ready to supply water to others because the groundwater systems go bad. He said he did not calculate a number or allocation for poor groundwater; if new customers are added in that way, the amount of treated water would be higher. Shanklin asked if that was ever considered. Fleming said no.

Shanklin discussed the amount of water treated and needed daily. He said he did not want to build more treatment capacity until he knew if Fort Sill would be considered in base closings, and that construction of the new Central Junior High should help Fort Sill remain viable. Shanklin said he wanted to build the plant but did not want to spend \$2 million doing it now; he wanted to put this off for a year and a half or two years and then build it if Fort Sill is locked in. He asked how long it would take to get a set of plans for a 16 mgd plant.

Ihler said the recommendation was to build a 10 mgd plant; the cost for a 16 mgd plant to allow for redundancy was very high. Ihler said he had been asked by industry whether certain amounts of water could be guaranteed for their use and it cannot be assured until the Southeast plant is on board. Shanklin argued with Ihler about the need for a southeast plant.

Mayor Powell said there is a need to be able to provide additional treated water to attract and to be able to serve any new industries. Mayor Powell asked how long this design will be good for. Ihler said the 18 month design process will be finished by the middle of 2004 and there will be a solid cost estimate to take to the voters in November 2004 for the 2005 CIP to fund the construction of this project. Fleming said the previous design was 12 years old so the electronics and system controls were outdated. He said he did not believe the ozone processes would become outdated as it is a proven, leading edge technology that meets current and anticipated regulations; allowance was made to add ultra violet light if that is required, so the design should be good for at least five years.

Baker said in his opinion, additional treatment capacity is the single most important thing to our community's future; if we are going to have growth, development, new industry, new business we have got to have additional treatment capacity. This city has done a wonderful job on getting raw water supplied and the whole state envies Lawton for that; we have spent millions of dollars on our distribution system but the numbers show we are going to need additional treatment capacity. We did not need it this summer, we may not really need it next summer, but by the time we get this plant built, we will most assuredly need it and we will have to turn industry away if we have those opportunities. It is very important to proceed with this project and we need to be in a position to put it on the 2005 CIP and ask the voters to approve it. If we do not proceed now, we could be looking at 2010 or 2012 before we build the plant and we will lose a lot of opportunity between now and then and we may not be able to meet the needs of our existing residents, businesses and industry. Baker said he did not want to get into this debate too much, but it is very important to our community and he felt he needed to say something.

Shanklin said we have the same number of water meters we have today as we had in 1990. Hanna said the City of Geronimo will be purchasing Lawton water soon, and he understood Cache and Elgin may be interested at some time in the future.

Mayor Powell said the question now is the staff recommendation is to design a 10 mgd plant versus 16 mgd. Ihler said staff recommendation is 10 mgd.

MOVED by Moeller, SECOND by Baxter, to give direction on the design for a 10 mgd plant.

Baker asked if the 10 mgd plant will accommodate additional growth so if another 5 mgd was needed that it could be added at this plant. Fleming said yes, they are charged with laying it out and anticipating all of the water you could get from Waurika, which is 40 mgd. Fleming said it will be laid out in increments so it can be done.

VOTE ON MOTION: AYE: Hanna, Devine, Moeller, Haywood, Baxter. NAY: Shanklin. MOTION CARRIED.

22. Consider an appeal of the denial of a special flood hazard development permit for the construction of The Big Green soccer fields located at SE Lee Boulevard and I-44. Exhibits: Site Plan; Memorandum from Civil Engineer; FIRM Map; Criteria for Granting Appeal; Statement by Al Jung, Landmark Engineering; Order.

Bob Bigham, Planning, said Landmark Engineering submitted this request for a variance on behalf of the Lawton Evening Optimists Soccer Association. The area is located in the 100 year flood plain, with 50% being located in the floodway. The current floodplain management regulations prohibit any type of development within the floodway and a variance was requested.

Moeller asked if the fields can be leveled and asked if the fields would have to be restored if there was a flood. Bigham said fill cannot be added in the floodway under the regulations; this requests a variance. There is a prohibition against raising the projected 100 year flood elevation; a study by Landmark shows this development will not increase the depth of the flood water. This area will still be in the 100 year floodplain and there will be damage at certain times that will require restoration of fields. Mayor Powell said the City does not own the fields. Bigham recommended A-D be approved in one motion.

MOVED by Shanklin, SECOND by Baxter, to approve Items A-D on the Findings of Facts and Variance Order with an affirmative vote of aye. AYE: Devine, Shanklin, Moeller, Haywood, Baxter, Hanna. NAY: None. MOTION CARRIED.

Bigham read Item E: "Does the variance meet all of the following requirements: 1) A showing of good and sufficient cause; 2) A determination that failure to grant the variance would result in hardship to the appellant; 3) A determination that granting of the variance would not result in increased flood heights, additional threats to public safety, extraordinary public expense, create a nuisance, cause fraud on or victimization of the public or conflict with existing city codes or regulations, and 4) the variance is the minimum necessary considering the flood hazard to afford relief." Vincent suggested a motion that all of these conditions are met and that an affirmative vote be had on Item E.

MOVED by Shanklin, SECOND by Moeller, to approve that all of these conditions are met and that an affirmative vote be had on Item E. AYE: Shanklin, Moeller, Haywood, Baxter, Hanna, Devine. NAY: None. MOTION CARRIED.

Bigham read Item F: "Does the variance contain all the conditions deemed necessary to promote the public health, safety and general welfare and to minimize public and private losses due to flood conditions throughout the City." He said staff does not feel any conditions need to be placed on this variance.

MOVED by Shanklin, SECOND by Moeller, that those conditions are met. AYE: Devine, Shanklin, Moeller, Haywood, Baxter, Hanna. NAY: None. MOTION CARRIED.

23. Discuss code compliance status of 707 W Gore Boulevard and provide direction to staff. Exhibits: None.

Shanklin said this structure burned three years ago, we are still trying to get this individual to complete this project and it seems we cannot make the owner do anything else unless it is put on demolition. He said the porch steps do not have a rail around them, painting has not been finished, there is no place to park and the rear building is an accessory building when it has plumbing on it and it is a zoning violation to use it for storage.

Baxter asked if the owner had been working on the house. Mitchell said yes, about 80% of the work was completed as outlined in the report. Shanklin told Mitchell to answer it correctly and that the owner has not been there because he goes by daily. Mitchell said the report shows 75-80% of the work is done, and staff has tried to call Dr. Floyd; the other option is to put it on a D & D list and have it come before Council to declare it dilapidated. Mitchell said he did not believe it would go very far in court, he would not think a judge would agree that this structure is dilapidated.



Mitchell said we also suggested we might turn off his utilities; we control the water but we are not sure we can convince the gas and electric companies to turn off their utilities. If we convince them to do so, he cannot do any work so we are kind of in the middle here and we are not quite sure what we can do. We have identified some issues here in the report, one is the accessory building and we are not sure he is storing anything in the building, he has it secured, we have not been able to inspect it so we are not sure whether he is using it for storage or not. If he got to the point of occupying the structure, we would be able to determine how he is using the building. Mayor Powell asked if any of it is occupied. Mitchell said right now it is vacant.

Shanklin said he would bring it back for a D & D.

ADDENDUM: Consider allowing for the collection of donations at the 6th Street intersection during the red light portion of the signals' cycle on Fridays and Saturdays and waiving fees for the itinerant vendors license for the Boulevard of Lights during the period of November 27, 2002 until January 2, 2003, and ratifying the City Manager's action authorizing the installation of temporary traffic control measures to reduce the speed limit to 20 MPH on Gore Boulevard from 5:30 p.m. to 12:00 a.m. from 2nd Street to 11th Street in all the eastbound and westbound lanes. Exhibits: None.

Mayor Powell read the item title as shown above and asked that the portion concerning waiving of fees be stricken from consideration.

MOVED by Shanklin, SECOND by Baxter, to approve the addendum as recommended. AYE: Shanklin, Moeller, Haywood, Baxter, Hanna, Devine. NAY: None. MOTION CARRIED.

REPORTS: MAYOR/CITY COUNCIL/CITY MANAGER

Mayor Powell, Council members and Col. Puckett wished everyone a Happy Thanksgiving.

Col. Puckett said anyone entering Fort Sill will experience the "Click it or ticket" campaign and asked that everyone comply with seat belt usage.

Shanklin asked if the land leased from the schools for a golf course can be subleased. Vincent said the School Land Commission denied the request to sublease. Shanklin asked if the new vacancy process was in effect; response was yes, the ordinance was an emergency and calculations are being done manually until computer programming can be completed. Shanklin said he would bring his in for correction.

Shanklin said the City has many new pick ups and suggested staff be told to pick up any political signs. He said concrete is sticking out in the 700 or 800 block of Gore off of a curb and we have enough of our vehicles that go by that someone should take care of it.

Shanklin said since we were not building a water treatment plant to accommodate anyone outside the city limits of Lawton, he would think we should look at our contracts and put a limit on those people as to how much they are getting now and allow only 10% more. Baxter disagreed and said we need to grow. Shanklin said if we have it, we can sell it. Shanklin said Norman is getting \$4 per thousand and they are contracting for so many thousand, whether they get it or not, they will pay \$4 per thousand. Shanklin said we need to take care of our water instead of giving it away. Vincent said we are looking at the contracts that have a minimum payment whether water is used or not, and if they go over a maximum, they pay a premium and we are looking at Oklahoma City's contracts.

Moeller said Fort Sill is not a problem, they are a blessing. She said even though Lawton has a budget crunch, it is not as bad as many other cities.

Baker said we are in discussion with Wal-Mart and their contractors and engineers to try to figure out a way to make the road in front of the new Wal-Mart on 67th from Quanah Parker to the bridge a five-lane instead of a three-lane. He said they agreed as part of the building permit process to put in a three-lane and improve the intersection and a little to the south, but we need a facility that is adequate and appropriate for the future so we are continuing to work with them and we hopefully can get it worked out where we can pay up to \$200,000 and get that a five-lane road.

Baker said Flowermound Road from Lee to Gore is moving very quickly; right of way acquisition and utility relocation must be completed and the contractor is to start work in early January.

Mitchell said the City will be open on Friday.

Ihler said the RFP's would be done on refuse collection and landfill operation.

Mayor Powell thanked David Vanhoozier for the Christmas parade, and Mike Owensby for the Boulevard of Lights

work. He read a letter from National League of Cities stating that Lawton had been selected as one of ten cities to participate in the Youth City Connection Project. He commended Kerry Hobbs for her work in this regard.

Mayor Powell said he received the Governor's Art Award and it reflects well on Lawton. He said the many arts organizations were started before he ever became Mayor and it was a fine reflection on them.

BUSINESS ITEM:

27. Pursuant to Section 307B.4, Title 25, Oklahoma Statutes, consider convening in executive session to discuss the pending lawsuit of James Warren Phillips vs. City of Lawton, Case No. CJ-2002-559, District Court of Comanche County, and if necessary, take appropriate action in open session.

28. Pursuant to Section 307B.4, Title 25, Oklahoma Statutes, consider convening in executive session to discuss the pending lawsuit of Christina Avera vs. City of Lawton, Case No. CJ-2002-560, District Court of Comanche County, and if necessary, take appropriate action in open session.

29. Pursuant to Section 307B.4, Title 25, Oklahoma Statutes, consider convening in executive session to discuss the possible settlement of a pending lawsuit of Mary L. Odum and Landis Odum vs. Susan Bell, Case No. CJ-2001-541, District Court of Comanche County, and if necessary, take appropriate action in open session.

MOVED by Shanklin, SECOND by Moeller, to convene in executive session as shown on the Council agenda and recommended by the legal staff. AYE: Shanklin, Moeller, Haywood, Baxter, Hanna, Devine. NAY: None. MOTION CARRIED.

The Mayor and Council convened in executive session at approximately 8:30 p.m. and reconvened in regular, open session at approximately 8:50 p.m. with roll call reflecting all members present except Bass and Ewing-Holmstrom.

Vincent reported executive session was held concerning Item 27, James Warren Phillips vs. City of Lawton. Council received a report on the lawsuit. City Attorney's office recommends a motion to appoint Mr. Shanklin to attend the settlement conference.

MOVED by Baxter, SECOND by Devine, to approve as stated by the City Attorney. AYE: Haywood, Baxter, Hanna, Devine, Shanklin, Moeller. NAY: None. MOTION CARRIED.

Vincent reported executive session was held concerning Item 28, Christina Avera vs. City of Lawton. He requested that Shanklin be appointed to attend the settlement conference.

MOVED by Devine, SECOND by Haywood, that Shanklin be appointed to attend the settlement conference. AYE: Baxter, Hanna, Devine, Shanklin, Moeller, Haywood. NAY: None. MOTION CARRIED.

Vincent reported executive session was held concerning Item 29, Mary L. Odum and Landis Odum vs. Susan Bell. He recommended accepting a subrogation settlement amount of \$10,000.

MOVED by Moeller, SECOND by Baxter, to approve the settlement. AYE: Shanklin, Moeller, Haywood, Baxter, Hanna, Devine. NAY: None. MOTION CARRIED.

There being no further business to consider, the meeting adjourned at 9:00 p.m. upon motion, second and roll call vote.

ITEMS LISTED IN ITEM #24:

1.	Defer/eliminate purchase of capital outlay - will require Council action	\$1,052,000
2.	Restrict out of state travel	5,000
3.	Suspend contractual mowing and concrete repair	120,000
4.	Continue hire freeze	250,000
5.	Modify multi-family vacancy adjustment - revenue projected for remainder of fiscal year actually \$240,000; however, \$175,000 already anticipated and included in budget as revenue	65,000
6.	Suspend brush pumper operation at Fire Department	50,000
7.	Security reimbursement from Airport	125,000
8.	Utilize CDBG funds for demolition	25,000
9.	Establish new water rates for Fort Sill, Goodyear and Republic	150,000
10.	Delete debris loader, Wastewater Maintenance (\$212,000)	
	Purchase one Jet Rodder, Wastewater Collection (\$74,500)	136,000
11.	Increase lake fees, camping, concessions	30,000
12.	Excess Funds, Waurika payment. Actual cost less than projected	75,000

13.	Defer software maintenance, MIS Division	30,000	
14.	Reimbursement from Grant - Police Dept. Vests	14,000	
15.	Contract Senior Services Programs - current cost \$250,000/yr		
	Possibly contract for \$100,000/yr	50,000	
16.	Fund six (6) months of Engineer's Salary from CIP	35,000	
17.	Reduction in Operating Accounts, Parks & Rec. Dept.(listed below)	83,500	
18.	Additional income from increased Library fines	20,000	
19.	Reduce expenditures, Maintenance & Operating Accounts, Finance Dept.	25,000	
20.	Reduction of part-time. A total of \$499,257 is budgeted.		
	All part-time eliminated by January 1, 2003, unless justified and approved by City Manager	100,000	
	TOTAL	\$2,441,100	

#### #17 - Reduction in Parks & Recreation Operating Accounts:

##### Activity #

Arts & Humanities (33) Acct 231 Professional & Technical Services	\$3,000
Building Maintenance (80) Acct 212 - HVAC expense oversite	10,000
Admin (42) Acct 221 Admin - No annual department brochures	5,000
Sports/Aquatics (43):	
Acct 104 - Contract Labor: Eliminate Basketball Practice Custodians, Use only one official per game in basketball	26,000
Acct 106, - One basketball scorekeeper per game	9,000
Acct 201, - No baseballs or softballs purchased as gameballs	2,500
Acct 211, - Reduce swimming pool maintenance (McMahon Grant renovation this spring)	5,000
Acct 265, - Reduce training and travel in-state	2,000
Cemetery (53) Acct 231 - Reduce contracted professional service based on first quarter experience	1,500
Acct 248, Electricity & Natural Gas, Reduction	1,500
Athletic Maintenance (54) Acct 205 Reduce chemical purchase	2,000
Park Maintenance (52), Acct 106, Reduce part-time	6,000
Acct 248, This was an increase for Eastside Park, which will not become operational until September 2003	10,000
Senior Division (49)All Accounts	45,000
Move programming to contract with a six-month contract of \$50,000.	
This would eliminate all Senior Staff employees.	

#### VERBATIM OF ITEM #24

Baker addressed Council at the podium. Baker said some of you may have seen the cartoon in today's newspaper and really, all I want for Christmas is 2.5 million dollars, so I hope Santa Claus is listening.

Baker: Your Honor, ladies and gentlemen, let me tell you what our situation is and you've been briefed on this already. I'm going to remind you we are facing a 2.5 million dollar shortfall and some people could argue that is 2 million dollars and some people might say it's 2.7, but it's approximately 2.5 million dollars. I'm rather confident of that. Why do we have the shortfall? I think I have discussed this with you before, but, there's three primary reasons that have resulted in our current situation. 1) Our projected carryover was significantly less than what we had hoped and I admit I was very optimistic when I made that projection. If you remember, I originally projected a 2 million dollar carryover, I mean a 1.5 million dollar carryover, then during budget reviews, to try to expedite and get a budget approved, I went further out on that limb and said I would go with 2 million. The actual carryover was 1.15 million, so we started the year after we finished the year out, the year closure numbers with an 815 thousand dollar problem. The other situation that has contributed to the deficit is a very, very unusual and a very mild summer where we were selling approximately ten million gallons less per day, water, and because of that, we're projecting about a 1.2 million dollar shortfall on water sales. In addition to that, our refuse collections are down; primarily at the landfill, and as I told you previously, the reason for that is we lost our largest customer, who is now taking their refuse to Texas. So that's how we got here. We have some other revenues. We have sales tax, that's down just a little bit, but those three things are the primary reasons we are facing this deficit. At this time we have a real challenge. That's the way I have tried to put it to the department directors. It's a problem, but it's really a challenge. We need to address this deficit, we've got to make it through the year, there's no doubt about that. My goals in addressing the deficit is to minimize impact on citizens and I think you would agree that has to be our number one priority. Whatever we do to make up this deficit, we want to minimize any adverse impact on our citizens, so I have kept that in mind as I've made some of these recommendations. The other goal I have, is to minimize adverse impact on employees. There are a lot of things we could do dealing with salaries, fringe benefits issues, layoffs, furloughs, those types of things, I am recommending we not do that at this time, that we defer any

decisions on those types of things until later in the year and if we absolutely have to do them, then we have to do them. The other challenge we have is not only make up the deficit, but hopefully we can end this year with some type of carryover to support next year's budget. If we have zero carryover to support next year's budget, then we have a heck of a problem before we get started on 03-04.

Shanklin: Bill, what is that figure? That's what scares me." "What is that figure, you think?

Baker: What's that?

Shanklin: If we have a zero carryover, what is our deficit, starting in the budget session next year?

Baker: Well, we would start out with a 1.15 million, because we had that much to support this year. In the past, I went back ten years and looked at our carryover and the last ten years, not counting this year, 2.9 million dollars carryover per year. So you can see, we are not in a good financial situation. We do have a reserve built into the budget of approximately six hundred thousand dollars and that really constitutes your carryover for next year and we hope we'll have more than that though, because you have to continue to have a reserve. In fact, Council needs to seriously consider increasing that reserve. We are not being fiscally responsible with only that much reserve. I've made some recommendations to you this evening on page 95 and 96 of your agenda packet. The most significant one and I'm not going to read this to you because I think you've already looked at them and are familiar with them, but the most significant recommendation I am making to you this evening is that you defer purchase of capital outlay and possibly eliminate purchase of capital outlay and we free up money that is now specifically restricted to purchase of capital outlay, that you free that up to the general fund and if we have to, at some point during this fiscal year, we can use those funds for other operating expenses and I would hope we would make that decision as we go into the fourth quarter. Now, Council action will be required to do this because in 1996, City Council passed a Resolution that established the \$3.00 surcharge or what we call CO charge on the utility bill and that Resolution specifically restricts that \$3.00 to capital outlay. So there's a companion item on tonight's agenda; a Resolution asking you to free those funds up to the general fund. We won't spend them until we come back to Council and we have to spend them. If we get into the fourth quarter and find out we can buy capital outlay, then we can buy all of it or part of it, but if we find we can't, we would have the flexibility to use those funds on something else. So that is the most significant recommendation I have this evening. I would hope that we not panic at this point in the year. We plan to update you at the end of the second quarter and the third quarter and at the end of the third quarter we may have to make some very very difficult decisions at that time.

Hanna: Bill, I have a question.

Powell: A question, Mr. Hanna please.

Hanna: On that capital outlay, if we free it up, that's going to be a one time deal only and we will revert back next year, back to the regular capital outlay and will not be deferred to general fund, right?

Baker: That's correct, the Resolution is to remove the restriction for the duration of this fiscal year only and that the restriction would go back in place after June 30<sup>th</sup> of 03.

Powell: And that would be a part of the motion.

Baker: And I'm not saying make a decision tonight not to buy capital outlay, I'm saying free that fund up, remove that restriction so that if we have to, we can spend that money on other operating costs. One other item I would like to mention is item #15. This is not a big dollar item, but I think most of the people in the audience, this evening, are here for that item and I'd like to say, the only reason this is on there is because Kim Shahan made me put it on there. No, that's not true, this item, I asked Kim, like other department directors to look at their budgets in ways we might address this deficit and Kim came back with several ideas and one of them involved some discussions he's had with at least one agency in town that said they would be happy to provide the senior services we are now providing, for much less costs than it is now costing us. Our budget for senior services right now, is about a quarter of a million dollars. Out of that we pay \$54,000 to mobile meals, \$13,000, under contract, to the Center For Creative Living, the remainder of about \$190,000, is to administer senior citizens programs at three different sites; Pleasant Valley, Benjamin Davis High-rise and the basement of Town Hall. What I've listed for your consideration is basically to put this out for proposals, see what proposals we get and then if we can still provide the services at a much less cost, then that's something the City should consider.

Powell: Mr. Hanna please.

Hanna: Thank you Mayor. What I'm hearing now then Bill, is the senior citizens will receive the same benefits, treatment and everything they are getting now with no cuts what-so-ever, is that correct?

Baker: That's my recommendation.

Hanna: They will not lose anything.

Baker: If we go out for proposals, we would require the contractor provide the same services and level of services, but I would say, to take you off the hook a little bit, this evening, I have received many many phone calls, and you probably have too, from our senior citizens, if you don't want to do this one and you would rather delete it from the list, I have no problem with that. We are looking at \$50,000, a possible savings this year. \$50,000 is a lot of money, but, we don't want to upset the world either.

Powell: Mr. Hanna

Hanna: None of our employees will be, "hit the street", so to speak, they will keep their employment within the City itself?

Baker: Well, actually, these savings would be primarily because of eliminating positions. We would try to put those people in other positions, but because we have a hire freeze, if we do that, we don't realize the true savings. I am not married to this recommendation, if Council doesn't want to pursue it, I don't have a problem with that.

Shanklin: I just don't like your math. If it's \$250,000 and it says, possibly contract for \$100,000, we'll save \$50,000.

Baker: \$50,000 this year.

Shanklin: The last six months.

Baker: Yes

Moeller: Mr. Mayor?

Powell: Yes ma'm?

Moeller: To put it in plain English, we're saving the \$50,000 by loss of jobs, correct?

Baker: Yes, if we put the individuals in other positions, especially since we have a hire freeze, we wouldn't realize the savings this year.

Shanklin: Are these people full time?

Baker: I believe there are two full time and we have three part time.

Shanklin: I would say there are some others I want to look at that I think we could make up that difference. You know, every time we want to cut the budget, we want to jump on the Solid Waste, then we go to the senior citizens. I would say right now, that we ignore (clapping from audience), we do that, that don't mean, I'm not trying to grandstand, that's not it. There will be people booing me here in just a little bit when we start talking about Lake Fees, but, I would say we ignore that right at the time being.

Moeller: I agree.

Powell: Let's go ahead a review this whole thing, because this is a three part deal. Go ahead Bill.

Baker: Mayor, one more thing. These are simply suggestions, there are 20 items I am suggesting. A lot of them are based upon estimates, we'll actually have to see the true experience to see how much savings we've realized, but, we feel these are pretty good estimates.

Moeller: I have a question.

Powell: Yes, Barbara.

Moeller: Your \$20,000 on Library fines, that seems rather high, do we have that much in Library fines coming in?

Baker: The information I got from the Library, if you recall, you recently raised those fines and they're projecting an additional 20 some odd thousand in revenue.

Powell: Mr. Baxter please.

Baxter: That was the question I had. That was a lot of Library books overdue.

Powell: In view of the fact that to this point and time, I've been adamant we keep our City employees on and not furlough and some people have wanted to furlough our employees. That's how you balance the budget. That's not the deal. I certainly support what Councilman Shanklin's brought up. Hopefully, somewhere out there someplace, we can find some other monies to do that, but, I hope we can all support that. Barbara?

Moeller: I do have one question. Our overtime budget has been over a million dollars a year. Is there anyway we can tighten that up? To at least get \$50,000?

Baker: Yes, Mr. Mitchell has been working with Mr. Golden and we're tracking overtime very carefully and they have asked me to put out an Executive Order and I am considering that. I think we can reduce overtime. It's difficult when you are in a hire freeze because there is a tendency to make up the difference in overtime, so we have to be very careful, but, yes, I think we can save some money on overtime.

Powell: Bill, I have brought up many many times on the Council floor about conservation policies, as far as gas and electricity and those kind of things. Have we got anywhere on that yet?

Baker: Not yet.

Powell: I've got reason to think we can make up this \$50,000 we are talking about, right here, in that one area. By just tightening some belts somewhere. Maybe turning lights off and bringing a coat to work rather than turning the heaters as high as you can get it. I think we could save \$50,000 there; as many buildings as we have, as many vehicles as we have travel, so I would encourage you to have somebody to get after this pretty seriously.

Baker: OK

Powell: Now then, is there any number, as Bill has stated there, you've got 20 items there and he's talked about two of them. He said he wasn't going to talk about all of them. Is there any one in particular.....?

Shanklin: Yes sir, I have one.

Powell: Alright, what is it Bob?

Shanklin: Number 11. Increase Lake Fees, Camping and Concessions for \$30,000, that was all on one, I think that was the Boat Club, wasn't that right Mr. Shahan, that \$30,000? I can't support \$30,000 on those folks at all, if they're not going to do everyone and I say everyone, boat houses, if we can rent, for \$1920, a preferred campsite, and they are out there rented right now, at Robinson's Landing, they're rented right now, year round, for \$1920, I can't see how you can equate a boat house for \$500 or \$600 to that. That is a closed society, that is handed down from family to family, or you buy it out from someone else, but no one has a shot at it and I think if we are not going to, and I'll tell you right out, if they don't think they can pay \$2,000 to \$2500 for a boat house site, that's what they are worth. If you can get \$2,000 for a preferred campsite, that boat house has got to be worth \$2,000 and when we do get to that, there's a gentleman came down at a Lakes and Lands and we finally found out who he was, but, he was complaining of the \$5.00 a foot and I think he had 20 more feet than the 15 feet first and then he had 20 more. A \$100 was just flat going to break him and he had six of them in there that owned it, six of them owned it and that will be in the minutes when we get there. I have talked to some boat house people and one right here, Mr. Bass, he was adamantly against it, he said we'd raised him from \$400 to \$600, Council, that's too cheap, can't help it. If there were \$2,000, if you have 40 boat houses out there, that's \$80,000 against \$2200 or \$2300, I think, whatever it is, it's close that figure. So, that's in that area

Baker: Mr. Shanklin, can I just comment on that?

Shanklin: Yes sir

Baker: That \$30,000 is not just for the boat club, that's just a figure I felt safe in putting in there and it considers all the increases. The boat house issue will be coming to the Council at your next meeting. We expect that's going to increase also. This \$30,000 is conservative and includes everything that we might do.

Shanklin: Like I said, I've talked to several people who have been out there 50 years and they know. Of course, they went out there and nobody wanted it, but now it's just like anything else, inflation and interest and so forth, increases your property. And that property is worth that. Those that want to pick up their marbles and go home, I guess they'll just have to pick them up and go home. I would like to see them after five years, they have to be bid on. How can you just let that one section of that lake be a private club and that's what it boils down to Council.

Powell: That, Bill, is going to come to us on the next in December?

Baker: Yes, it is.

Shanklin: Then I can track that then, but my phone will be turned off between now and then. That won't be the first time. I had asked a question to Mr. Frank Jensen to forward it to Mr. Vincent and I wanted to know where it was going to be no, that they would show me in black and white why it would be. And that was, how do we furlough, or take back, half the pay raise we gave the City employees the last six months. We gave a million, two hundred thousand dollars for us to sit here and say that would be a morale killer. How about those people out there who are funding it? If that's not a morale killer. So, I guess Mr. Vincent, did you ever check that or am I not due an answer?

Vincent: You're due an answer, sir and I tried to call you, as I mentioned earlier today, to give you part of the answer, but, Ms. Jackson is working on that as her priority. We've got four issues we are aware of that we have to deal with, with exempt employees, the two unions and the general employees. I was not aware of the question about salaries, the only question that was posed to me was furloughs.

Shanklin: Everyone who got a pay raise, that we take it away either from off their pay and let them volunteer to do it to keep their jobs and not go into furloughing. If you are going to furlough or lay people off, that's the reason one of the problems we're in right now is nobody wanted to cut anybody's job. I didn't know I came down here to keep everyone's job or increase jobs, so we would have morale. We start them off at \$10 as our lowest entry. It's \$10 an hour, they can't make that in the private sector in Lawton, Southwest Oklahoma, it can't be done. We have to consider that and when you want to talk about that million dollars over there, Bill, to give you that right now, when would you tell us, 'I dipped into it for \$200,000', when would we ever know that? It just goes into the general operating budget and I don't like that.

Baker: I would not spend it without coming back and having Council release it.

Powell: Council would have to approve that. They'd have to approve that, wouldn't they, Bill?

Baker: Yes, I'll come back the end of the second quarter, the third quarter and brief you and at that time, ask you to release those funds for other purposes or tell you that we can go ahead and buy equipment. I'm not going to spend that money. I will not spend that money without Council being advised and concurring.

Powell: OK, Mr. Baxter, please.

Baxter: I wanted to agree with Mr. Shanklin, the boat house people need to pay more money and I'm sure that part of that \$30,000 is part of that. I will not support taking half the employees raise back, I'll can tell you that right now, I won't do that. I will support Bill's recommendation here, with the exception of item 15.

Powell: Thanks Mike, we will be back to that. Mr. Haywood please.

Haywood: I need to know something about item 17, reduction operating accounts of Parks and Recreation.

Baker: OK, I've got a handout for you, Mr. Shahan identified the accounts for you. These are various 200 accounts he feels we can tighten up on and save some money during the duration of the year. It's just various accounts and different activities. One of them, \$2600, as an example, in Sports and Aquatics, and you will see this in a second, is to eliminate basketball practice, the custodians we have to hire for basketball practice. We would still have our games, we would still have the program, but we would not pay custodians for practice. The teams would just have to figure out how they're going to practice without us paying for those custodians. That's one of the biggest items, \$26,000.

Powell: It's OK Mr. Haywood?

Haywood: Yea, that's fine.

Powell: OK, any other items you want to discuss?

Shanklin: Yea, number nine. How do you expect to get that \$150,000 for water rate increases for Ft. Sill, Goodyear and Republic, when we know we can't increase Ft. Sill for a year. I think we'd turn tail and run on Goodyear and we haven't?

Baker: No, we haven't and the chairman of that committee advises me that we feel we are getting much much closer with Ft. Sill, with Goodyear and thinks we will generate that much additional revenue this year. We're getting closer.

Shanklin: Who's the chairman of that committee?

Baker: Mr. Mitchell

Powell: Mr. Mitchell, your Assistant City Manager.

Mitchell: I beg your pardon, I'm not the chairman. Council woman Moeller is the chairman.

Baker: He's our chief negotiator.

Shanklin: OK, have we met with Ft. Sill yet?

Mitchell: We are expecting a letter....

Shanklin: We haven't met then?

Mitchell: Yes we have and we are expecting a letter agreeing to the rating factor that will be used to determine the rate which we will charge them.

Shanklin: I saw a packet or letter that came from Goodyear that they want to remain the same. Is that right?

Mitchell: I would rather not discuss this here.

Powell: But he will discuss that with you privately, Bob.

Shanklin: Yea, I have no problem with that. I just think if we can't get \$150,000 out of that, why.....

Powell: There's on going discussions there, they've met with Republic twice, three meetings with Goodyear and Ft. Sill. They've been active.

Shanklin: OK, but you will be back here before January 1<sup>st</sup>, alright? You will be?

Mitchell: Yes

Shanklin: So we can tell the tax payers what we have done with those entities, correct?

Powell: What we have or have not done. Any other item? I'd like to make a statement, if I could. I promise you, I will do it. Before we furlough people, they can have my salary, but at the same time, I would ask that they City Manager, the Assistant City Manager and the Directors, starting at the top, peel off some of their money to keep our lower end people on job. Who do you normally expect to .....(Applause from audience) No, no, no, I don't say that for that, I say it from sincerity reasons. Who's normally furloughed first? The person that needs it the most. I've been there. I've not been furloughed, but I need it the most, I've been there and so I sympathize with those people. That's why I'm down here today, for that reason right there and I promise you, before we go there, I will challenge this Council to follow up with what I just got through saying and hopefully those people out there will join hands and keep our people in tact as they are.

Shanklin: I have a note that the Council forego their pay for the rest of the year.

Powell: I don't ask for that at all, but I will ask for the City Manager and the Assistant City Manager...

Shanklin: Before we ask anyone else to do something, we would have to give ours up too. I wouldn't have any problem with that.

Powell: Well, OK and I say that and I mean it and I'll follow up with actions, if we get to that point.

Shanklin: What are you going to do then if there is not a quorum to take away the capital outlay money, I don't think there is one?

Powell: Bob, I emphasize, we talked about this today, this is simply giving that City Manager...it's simply saying it is going to be frozen right now, which it has already been frozen, that is being frozen, it's going to stay frozen, it's not going to go into that general fund to be spent out of the general fund at this time. Before that City Manager spends any of that money for this \$3.00 capital outlay, he is going to come back to this Council. Hopefully, that will never happen, where he has to do that. Simply to come back later on, in this fiscal year, say we are ok, we can spend half of this for capital outlay, we need half of it to pay a person's salary or to pay the gas or the electricity or those kinds of things. This, right here, is simply saying that's ok to do that, but he'll come back to you for action and hopefully this Council will support that.

Shanklin: Well, here's the problem you and I were talking about this morning. That million dollars where we couldn't figure out where it was going, the million dollars is going into general operating budget.

Powell: Well, sure it is, but it's not going to be dumped in there today. He's going to come back to you before that



ever happens. Hopefully we won't ever get there, Bob, but if we do get there, all is happening now is he's requesting that he has the ability to do that in case we get in a worse case scenario.

Shanklin: I don't know how they are going to keep that money separate. Just not going to spend a million, just not going to spend it.

Powell: Just not going to buy that capital outlay right now. Is that right, Bill?

Baker: That's correct.

Shanklin: Well, it's in the general operating budget though.

Baker: It's there, but it's in a separate account.

Powell: OK, any other questions or any other item? What I think I've heard is that you will hopefully accept this with the exception number 15 (contract senior citizens program), eliminate that out, leave it exactly as it is right now. Accept this, these 20 items here that Mr. Baker has for you, to accept; this is a three part report. First part, receive the report, that has been done.

Haywood: Nineteen

Powell: Consider recommendations and we've talked about those. Mr. Haywood, what was that?

Haywood: Nineteen, not twenty, nineteen. Delete fifteen.

Baxter: You take out fifteen, there's only nineteen items, sir.

Powell: OK, eliminate fifteen, that's what I have heard you say on the floor here tonight, but then go ahead support the recommendations made by Mr. Baker, which there are nineteen remaining. It says here the third item is to provide direction to staff and I think what we need to do, if it's alright with you all, is to entertain a motion to.....  
Barbara?

Moeller: Can I clarify a point before we do?

Powell: Yes ma'am.

Moeller: On the number one, that everyone's having so much trouble with, if we go along with it and approve it, it will stay in the funding itself, where it is, we just remove the restriction only we only draw from that account as needed, right?

Shanklin: At our permission.

Moeller: With our permission.

Powell: That's right, it will come to the Council and the Council has the last blessings on that.

Moeller: As needed.

Powell: And also, what I'd like for you to say on that is, whomever makes this motion, is to say this is for this fiscal year only. OK?

Baker: Mayor?

Powell: Just a second, Mr. Vincent what do you have?

Vincent: This will actually be the second item.

Powell: OK, good, Mr. Baker.

Baker: I was just going to say, on that item, I'll reiterate that I will not spend that money without Council's approving it and I would anticipate that discussion would occur at the end of the third quarter.

Powell: OK, good, entertain a motion then, as we talked about. Supporting those nineteen items, eliminating number fifteen.

Baxter: I'll make a motion to that effect, but I'm not sure we need that motion, do we? I'll make a motion that we

accept Mr. Baker's recommendations, with the exception of item fifteen, which is a contract senior citizens program.

Powell: Do I hear a second?

Haywood: Second

Powell: We have a second to that motion. Mr. Devine please.

Devine: Mayor, I'm not going to support taking this capital outlay and putting it into our general fund at this time. If we are going to need it, at a later time, then we can approach it at that time. I just think it's going to be too easy and it's going to be able to say, there it is, we don't have to look at anything else because we know we've got that million dollars over here, so let's don't cut anymore, we are going to go ahead and get that money anyway. So, I cannot and will not support this.

Powell: Alright, you've said your peace.

Devine: Yes sir, I sure did.

Powell: OK, Mr. Baxter.

Baxter: I guess I'll put out a plea for a response. Everybody sitting up here has something to do with this negative 2.5 million, including you sir, including me, including everybody.

Shanklin: I did not approve the budget, I beg your pardon, I didn't approve the budget.

Baxter: It is not going to go away.

Shanklin: Did not approve the budget.

Powell: OK, go ahead Michael.

Baxter: It's not going to go away, you've got to do something about it. Just to keep putting everything off and putting it off and putting it off is not going to do nothing. That man needs some room to work and this item will do that for him and I urge you to support this, because the 2.5 million's not going to go away, you've got to address the situation.

Powell: Thank you. We do have a motion on the floor and a second and have had discussion, please call the roll.

MOTION by Baxter, SECOND by Haywood

AYES: Moeller, Haywood, Baxter, Hanna

NAYS: Devine, Shanklin

Powell: Passed four to two. Alright, now while this is happening, let' go to item #25 please.

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VERBATIM OF ITEM #25

Powell: This will be 02-50, consider adopting Resolution removing restrictions from the capital outlay fund for the remainder of the current fiscal year, Resolution 02-209. Barbara, you want to make that motion to make sure that ends the end of this fiscal year?

Moeller: That it's left in the fund?

Powell: Yes ma'm

Moeller: I move, what is the Resolution number?

Powell: 02-209

Moeller: I move we readopt Resolution 02-209 removing restrictions from the capital outlay for the remainder of this fiscal year only. That funds remain in that account and nothing will be spent without Council's expressed permission and approval.

Baxter: Second

Powell: We do have a motion on the floor and also a second, as stated. I have been reminded by the City Attorney,

for this, it does take five affirmative votes. Any discussion? Please call the roll.

MOTION by Moeller, SECOND by Baxter

AYES: Haywood, Baxter, Hanna, Moeller

NAYS: Devine, Shanklin

Powell: That failed four to two. OK, Council, let's take about a five minute recess if you will.

Shanklin: I'd like to make a substitute motion.

Powell: Oh, OK

Shanklin: Make a substitute motion that we adopt 2 through 20 with item #15 removed; items 2 through 14, 16 through 20, be approved.

Powell: Bob, you've already approved, by an affirmative vote, of four to two all those.

Shanklin: OK, well this will be .....

Powell: All you was voting on last time that you defeated was the Resolution, you had four affirmative votes, two negatives, all you was doing is passing the Resolution.

Shanklin: Well, you have to have the Resolution passed before you can take that money and put it anywhere, Mayor.

Baker: Mayor?

Baxter: Well, it didn't pass because you didn't vote for it.

Powell: Just a second, Mr. Baker.

Baker: Since the Resolution did not pass, the restriction would remain on those funds. The only thing I can do is just come back at the end of the third quarter and see if Council wants to reconsider, if we have to at that time.

Vincent: If I may? To clarify, the action the Council took on item #1, was to defer/eliminate purchase of capital outlay, they did not move the funds one place to another, that was item 25. So, basically, you accomplished what Mr. Devine wanted to do by leaving this in the capital outlay fund, but not being able to spend it until a later date to be determined by Council.

Shanklin: Why do you want the Resolution then?

Vincent: The Resolution was just.....I was asked to write the Resolution by Mr. Baxter and Baker and Mr. Mitchell. It says, as determined by the governing body, do not give the City Manager (inaudible).....this Resolution would not allow the City Manager to do anything with that money unless the Council authorized it.

Powell: And that's exactly what the man told you on the floor.

Baker: Mayor?

Shanklin: Well, it will be brought back up. I'm sure that the co-chair's of some these unions will vote on it, you can bet on that, so, you'll get it passed. You'll get it passed.

Powell: Mr. Baker

Baker: The only problem it presents for me is that I can't assume that Council will approve this later in the year, so I am going to have to go ahead and identify another million dollars in cuts, because I can't wait, because it takes time to realize and accrue those savings from those cuts. So, I am going to have to identify another million dollars in cuts, I can't wait and do nothing.

Shanklin: I'd like to see those sir.

Baker: I can give them to you.....

Baxter: Well, it will be employees, Bob. Is that what you want?

Shanklin: What?

Baxter: They're going to be employees. There're going to be furloughs and lay offs.

Powell: What is the percent of our budget.....

Shanklin: They've done it all over the world, all over the nation.

Powell: Mr. Baker, what is the percentage of our budget, for personnel?

Baker: I think it's right at 75%, 75 to 78%.

Powell: Does that including all their benefits and everything.

Baker: Yes

Powell: Around 75%. There's only one place it can come from, is laying people off. What did you mean the unions are going to get involved in this, Bob?

Baxter: That was a stab at me.

Shaklin: They will pass it. It will pass, what, five to two? Takes five? Amy will vote for it, you've got four votes, Amy will vote for it to pass it. This can be brought back up by either one of these people, Mayor, because they weren't here and their vote will make a difference. It will be on the December 10<sup>th</sup> ballot.

Powell: Well, I don't think that far ahead. I'm just disappointed this Council can't approve something. When you've got the ability to say no we are not going to spend it, I just don't understand.

Baxter: I don't either.

Powell: I cannot begin to. Alright, it that your final action? Bob, do you want a substitute motion?

Shanklin: If the esteemed City Attorney thinks we don't need it, fine, I don't need it either.

Vincent: If probably what Mr. Shanklin said the motion was, is accomplished and it could require reconsideration of item 24 to do what he wants to do. Which means that one of the persons voting in the affirmative would have to make a motion to reconsider it.

Shanklin: It'll pass in December, I don't have any problem with it. I have a problem with me voting for it.

Powell: Alright, anything else on it?

Haywood: I do. I want to thank you for deleting number 15 and I want to thank all the senior citizens for coming out. The democratic way does work, so I want to thank you. When we have recess, you may be dismissed. Come next time, we need you too.

Powell: Do you all need a recess? Thank you Stanley. Do you all need a recess?

Shanklin: I don't.

Powell: OK, you all can be excused if you like to and we will take a couple minutes here while you do and we appreciate your coming down this evening. Happy Holidays to you.

The Mayor and Council had a brief recess. Roll call upon reconvening showed all members present except Bass and Ewing-Holmstrom.